

# EXHIBIT C

# PROGRESSIVE GROCER

JANUARY 1, 2002

THE COMPREHENSIVE SOURCE FOR FOOD RETAILERS

VOLUME 81 NUMBER 1

\$10.00



**STORE OF THE MONTH**  
Piggly Wiggly North



**AWARD OF EXCELLENCE**  
Mr. Pig re-emerges

**COMFORT****FOODS:**

Slinging meat  
leaf in crab  
cake country

**DEBT:**

Jane Diszeski  
Tortola's  
Independents  
Report



Price optimization's progress



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**DEFENDANTS'  
EXHIBIT**

Case No. 2:08-md-2002 DAP

**D-0448**

Exhibit 21

8/29/13 Witness: Wilson  
La Meyer, RDR, CRR, CBC

HIGHLY CONFIDENTIAL

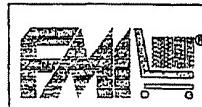
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SUPERMARKET

# Fresh Food

BUSINESS



## Animal rights—and wrongs

**A PETA onslaught humbled the likes of Burger King and McDonald's. Now on the activists' hit list: Kroger, Safeway, Wal-Mart, and more.**

By Meg Major

**A**n animal rights group known for its no-holds-barred approach to making companies change behavior says it will be looking over the shoulder of a new food industry alliance formed to improve the treatment of animals that are slaughtered for their meat.

The Food Marketing Institute and the National Council of Chain Restaurants in November announced details of a collaborative animal welfare program they say should result in measurable, sustainable guidelines and science-based policies for the two groups' members and their suppliers.

The move by the Washington, D.C.-based trade groups came as People for the Ethical Treatment of Animals gears up for another round of activism. Supermarkets are high on the organization's hit list following an aggressive crusade against three of the nation's largest fast-food chains.

"Right now, a report card of the supermarket industry shows that everybody is flunking without a doubt," says Bruce Friedrich, vegan campaign coordinator for PETA. "With the exception of Whole Foods, none have any kind of animal welfare standards in place at all, so the most gratuitous of the animal abuses are routine with grocery chains, and it needs to stop. Our hope and expectation is that with the FMI and NCCR standards, we are going to see the most egregious of these ended, but we need to see significant develop-

ment."

Headquartered in Norfolk, Va., the group in recent years has steadily escalated its demands on food chains to better police their suppliers on the use of bovine growth hormones and cruel slaughter practices. PETA has simultaneously been pressuring for better living conditions for animals and livestock.

After declaring victory over McDonald's, Burger King, and Wendy's, PETA turned its attention to the records of other

companies, including 10 of the nation's largest grocery retailers. On its vegetarian campaign Web site, GoVeg.com, PETA urges consumers not to shop at Albertson's, Costco, Kroger, Meijer, Publix, Safeway, Supervalu, Wal-Mart, Sam's Club, and Winn-Dixie until they agree to meet or exceed the standards set in the group's settlement with McDonald's. The organization tells supporters to write letters to high-ranking executives at each chain, asking for their animal welfare policies regarding suppliers.

"Of the 10 supermarket chains mentioned," says Friedrich, "we've had some good discussions with mostly public relations officials, while some of the other discussions have very clearly failed to satisfy."

### Little Wendy took a knife

Early last month, PETA halted its two-month-old campaign against Wendy's, which was the last of the three fast-food chains to buckle. It adopted new animal welfare guidelines exceeding the standards PETA negotiated with McDonald's two years ago. PETA's short-lived attack on Wendy's used distorted billboard images of the chain's red-haired caricature holding a butcher knife dripping with blood. It earlier went after Burger King with a "Murder King" campaign that involved provocative ads, numerous protests, and celebrity support from the likes of Alec Baldwin, James Cromwell, and Richard Pryor.



ILLUSTRATION: JULIE DELTON

### The industry's plan

The following are the components of the animal welfare program jointly developed by the Food Marketing Institute and the National Council of Chain Restaurants:

#### Step 1.

Develop a set of retailer expectations for growers, producers, and processors that are modeled on best practices for animal husbandry and humane processing.

#### Step 2.

Obtain the professional assistance of respected animal welfare experts and organizations in developing retailer expectations.

#### Step 3.

Review the set of expectations with the producer community to determine reasonableness, cost, feasibility, and realistic time frames for implementation and verification programs.

#### Step 4.

Distribute the set of expectations as voluntary recommendations for retail companies to adopt and use in their discussions with current and future suppliers.

#### Step 5.

Support the formation of an advisory council as a mechanism for ongoing dialogue between the food industry and animal welfare experts on issues related to the care and processing of animals for food.

"Right now, a report card of the supermarket industry shows that everybody is flunking without a doubt."

—Bruce Friedrich, PETA

In published reports, the fast-food chains have said changes in their policies were made as a result of new corporate leadership or plans that were already underway, and have vigorously denied that PETA's actions influenced them.

Through a string of highly visible demonstrations and extreme public relations tactics, PETA has become both a proficient corporate arm-twister and an effective public relations machine, says Terrie Dorr, NCCR president. "Whether you like it or not, PETA's strategy is very effective," Dorr says.

Her organization's interest in forming the alliance with FMI stems from members' concerns that animal welfare issues "will become an individual company

depending upon who's buying product, since it would only serve to cause chaos and confusion, which is why NCCR has chosen to pursue working under an industry umbrella."

#### Pushing for audits

Friedrich says PETA is "reserving judgment" on the FMI-NCCR partnership. "An umbrella auditing plan certainly makes sense for many reasons, particularly when it comes to a level playing field for penalties on suppliers that fail audits. Originally FMI and NCCR were talking about voluntary guidelines, but we've been

happens with the FMI-NCCR standards before we're going to have a clear plan of action."

Friedrich says sanctions must be levied according to the severity of audited violations. "If flagrant inhumane discrepancies are found, we advocate that the particular supplier be cut off instantaneously, no questions asked," he says. "If, however, there's been a good faith effort made and some sort of breakdown was found to have occurred, such as an

to the few things the burger chains have standards for, since they sell many dairy and other products that the fast-food burger joints do not sell in the same large quantities."

The American Meat Institute espouses the goal of animal-welfare, but it wants no truck with PETA. Says Janet M. Riley, vice president of public affairs and staff liaison for AMI's Animal Welfare Committee: "Some animal rights groups are seeking to leverage the competitive nature of America's businesses by forcing one to try to be 'more humane' than the other, or have tougher welfare standards than the next. But since these groups ultimately advocate vegetarianism, trying to appease them is counterproductive to businesses that market meat and poultry."

Riley says the meat industry benefits from sound welfare standards and programs. "Humane handling is good for animals, improves meat quality, and enhances worker safety," she says. "Our goal is to do the right thing for the right reasons, not to appease groups that oppose our very existence."

AMI is attracting ever-larger crowds to the annual animal welfare training conference that Riley says has become one its most popular meetings. The association issued industry-wide guidelines in 1997 that spell out proper treatment of cows and pigs. This year, she says, AMI will release two updated sets of guidelines. "We will also continue to stress the need to perform self-audits as a means of ensuring continuous improvement in handling and stunning in meat plants. We think practical approaches like these accomplish real results. They don't always get the headlines," she adds, "but they do make a difference."

At press time PETA had filed a petition with the U.S. Department of Agriculture accusing the agency of failing to apply the federal Humane Slaughter Act to animals handled and killed on factory farms. PETA contends USDA has arbitrarily chosen to apply the act to cover only the treatment of animals in slaughterhouses. The group says that policy violates the act because it allows animals to suffer without inspection from birth onward, including while they are being transported to slaughter. ■

#### Start training for the fight

Take it from someone who's been there, done that, and has the tee-shirt to prove it.

Terrie Dorr, president of the National Council of Chain Restaurants, which represents 40 of the nation's largest chain eateries, recommends that companies that aren't involved in the industry's animal welfare initiatives jump in now.

Three of NCCR's biggest members—McDonald's, Burger King, and Wendy's—have been subject to aggressive animal welfare campaigns by People for the Ethical Treatment of Animals.

Because companies are judged more by what they do wrong than what they do right, says Dorr,

retailers must be made aware that PETA's activities represent a real threat in the sense that their brands are so visible. And if someone's going to drag their name through mud, we as an industry must stand up and make sure they don't have a story to tell."

Prior to launching a full-blown attack against a company, Dorr says, PETA will likely give plenty of warning. Therefore, she says it's imperative to train your staff to pay attention to even such a small matter as an isolated letter.

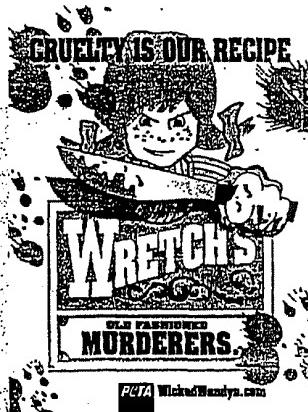
"PETA is not secretive or subtle about anything it does. They're more than happy to sound the trumpet and give you

warning, and when they say they're coming after you, count on it, because they will follow up."

In their campaign against Burger King, PETA members dressed up as cows and handed out leaflets to customers entering the restaurants and asked them not to eat there. Supermarkets would be in for the same treatment.

Even before the first letter is received, Dorr recommends that retailers prepare a checklist and an action plan to document the timeline of developments. "In my experience, the ad campaigns PETA has engaged in have been particularly brutal, and whether you accept them or not, they do resonate with the American public," she says.

"As a country, we're never going to go vegetarian, and as an association, we're never going to satisfy PETA," Dorr says. "But



Wendy's, as depicted on the PETA Web site.

at the end of all of this, we certainly want to be able to stand up and look our customers in the eye and say, This is what's been done, and this is what's being done; to make sure humane standards are in place, audits are conducted, and science-based guidelines are being followed.' We do have a good story to tell."

—M.M.

issue rather than a general industry issue, which is not in anybody's best interest," she says. "We don't want to have a different set of animal welfare standards set by individual processors, producers, and companies. Rather, we want standards that are developed by a group of experts working on behalf of the entire food industry so that at the end of day what comes out is a consistent, science-based, measurable set of guidelines."

The worst that could happen, adds Dorr, "is a differing set of standards

pushing both the organizations and their members to work on the issue of third-party auditing and some sort of uniform sanctions for suppliers that fail these audits.

"What we found in our negotiations with McDonald's, Burger King, and Wendy's," Friedrich says, "is that you could have a nice policy on paper, but if there are no audits for enforcement and no penalties for offenders, you may as well have not bothered. So we're going to wait and see what

employee mistake, then the sanction would change accordingly."

#### Aiming at teens

PETA also has beefs with the dairy industry and some time ago launched its ongoing, teenager-focused campaigns against milk and veal. "Grocery chains are going to have to do more," says Friedrich, "because they can't have exclusive standards relating